

IOWA OFFICE OF ENERGY INDEPENDENCE ENERGY PROJECT FUNDING PLAN

For State Energy Program (SEP) funding, the Iowa Office of Energy Independence (OEI) will write and issue requests for proposals for each of the categories listed below. The amount of funding listed for each category will remain flexible, as the quality and quantity of projects for each category will be continuously assessed. An advisory committee will be created which will include industry experts and representatives of client groups. This committee will advise and assist OEI in the selection of proposals for each of the categories as they are received. As the proposals are approved, OEI will develop an outreach program to spread the word about SEP projects and activities. This outreach program will include a website, press releases, and possibly town hall meetings, if necessary. A tracking and monitoring program will also be created to ensure transparency and accountability.

Public Sector Energy Projects

Approximately \$19 million will be allocated for projects in public sector facilities. The suggested break-out of funding will be:

- 35% for state facilities
- 35% for schools
- 20% for local governments

Projects may be submitted for implementation of both energy efficiency and renewable energy improvements; however, projects that are comprehensive will receive greater point consideration. The appropriate level of energy analysis (energy audit, technical engineering analysis or life cycle cost analysis) will be required to be included with the application for funding. In the event of a tie in points, funding will be made to projects with the greatest energy savings and/or greatest renewable generation.

Applicants will be required to include information on how their project builds capacity for additional energy projects, including, but not limited to how the project:

- Informs Iowans about energy
- Serves as a model for other applications of energy technologies
- Provides specific training on energy technologies

- Implements a new or innovative energy technology
- Creates local jobs
- Publicizes the project and its results

Funding will be awarded in two rounds. The first round will be held in April and will allocate approximately 60% of the available funding. The second round will be held in August and will allocate the remaining 40% of the funding.

In addition to the Department of Energy's general criteria, public sector energy projects will be funded based on the following specific criteria:

Criteria	Ranking	Weight
Individual improvements will pay for themselves within their useful life or are the lowest life cycle cost; aggregated project payback is no more than 25 years.	Yes/No No = Project is not eligible	
Project includes hard dollar funding from one or more of the following sources: <ul style="list-style-type: none"> • Utility energy efficiency programs • Building Energy Smart loans • Self-arranged financing • Financial donations • Locally available funding options 	No leverage – not eligible 5 = \$2 of other funding sources for each \$1 of federal stimulus funding 7 = \$5 of other funding sources for each \$1 of federal stimulus funding 10 = more than \$5 of other funding sources for each \$1 of federal stimulus funding	5
Project is comprehensive, including all cost effective energy efficiency and renewable energy opportunities available at the facility.	0 = is not comprehensive 10 = incorporates all cost effective energy efficiency and renewable energy opportunities at the facility	3
Project can be started by: <ul style="list-style-type: none"> • September 30, 2009 • December 31, 2009 	longer than September 30, 2010 – not eligible 4 = September 21, 2010	2

<ul style="list-style-type: none"> • April 1, 2010 • September 31, 2010 	6 = April 1, 2010 8 = December 31, 2009 10 = September 30, 2009	
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Funding will be allocated based on the following formula:

Points	Funding Amount
90 - 100	Up to 3 year buy-down of project cost
80 - 89	Up to 2 ½ year buy-down of project cost
70 - 79	Up to 2 year buy-down of project cost
60 - 69	Up to 1 year buy-down of project cost

For example:

- A project costs \$2,000,000 to implement and saves \$200,000 annually; the overall project's simple payback is 10 years
- This project receives 80 points in its project review, and is awarded a 2.5 year buy down of the project cost
- The award is \$500,000

Technology Demonstration Projects

Approximately \$2 million will be allocated to fund projects in Iowa facilities to demonstrate innovative uses of commercialized technologies or that implement renewable energy technologies that are not currently widely used in Iowa. Examples of these technologies may include, but are not limited to: roof-top solar systems, solar thermal water heating or small wind systems for off-grid locations. Applicants may request funding for up to 100% of the cost of their project in this category, however, projects with funding leverage will be awarded additional points. The appropriate level of energy analysis (technical engineering analysis or life cycle cost analysis) will be required to be included with the application for funding. In the event of a tie in points, funding will be made to projects with the greatest energy savings and/or greatest renewable generation.

Applicants will be required to include information on how their project builds capacity for additional energy projects, including, but not limited to how the project:

- Informs Iowans about energy
- Serves as a model for other applications of energy technologies
- Provides specific training on energy technologies
- Implements a new or innovative energy technology
- Creates local jobs
- Publicizes the project and its results

In addition to the Department of Energy's general criteria, public sector energy projects will be funded based on the following specific criteria:

Criteria	Ranking	Weight
Project includes hard dollar funding from one or more of the following sources: <ul style="list-style-type: none"> • Utility energy efficiency programs • Building Energy Smart loans • Self-arranged financing • Financial donations • Locally available funding options 	0 = No leverage 5 = Less than \$2 of other funding sources for each \$1 of federal stimulus 10 = \$2 of other funding sources for each \$1 of federal stimulus funding	1
The facility at which the project is installed has implemented or will implement all cost effective energy efficiency opportunities available at the facility.	0 = is not comprehensive 10 = incorporates all cost effective energy efficiency and renewable energy opportunities at the facility	4
Project builds capacity for additional energy projects <ul style="list-style-type: none"> • Informs Iowans about energy • Serves as a model for other applications of energy technologies • Provides specific training on energy technologies 	0 = project includes no capacity building 10 = project builds capacity in Iowa to install more energy improvements by reaching multiple target groups	1

<ul style="list-style-type: none"> Commercializes a new or innovative energy technology Publicizes the project and its results 		
Project can be started by: <ul style="list-style-type: none"> December 31, 2009 April 1, 2010 September 30, 2010 	longer than September 30, 2010 – project is not eligible 5 = September 30, 2010 7.5 = April 1, 2010 10 = December 31, 2009	3

Non-Profit (501 (c) 3) Facilities Projects

Non-profit facilities may apply for funding from a non-profit facility energy revolving loan fund. The revolving loan fund will provide up to \$6 million in energy project funding for non-profits; approximately \$3 million will be made available in each calendar year 2009 and 2010. Non-profit organizations will be invited to apply for funding on a semi-annual basis. Non-profit organizations may apply for up to 100% of the total project cost; however, projects with funding leveraged from other sources will receive additional point consideration. The appropriate level of energy analysis (energy audit, technical engineering analysis or life cycle cost analysis) will be required to be included with the application for funding. The interest rate for the revolving fund will be set by the State Treasurer's Office. In the event of a tie in points, funding will be made to projects with the greatest energy savings and/or greatest renewable generation.

Applicants will be required to include information on how their project builds capacity for additional energy projects, including, but not limited to how the project:

- Informs Iowans about energy
- Serves as a model for other applications of energy technologies
- Provides specific training on energy technologies
- Implements a new or innovative energy technology
- Creates local jobs
- Publicizes the project and its results

In addition to the Department of Energy's general criteria, non-profit sector energy projects will be allocated revolving loan funds based on the following specific criteria:

Criteria	Ranking	Weight
Individual improvements will pay for themselves within their useful life or are the lowest life cycle cost; aggregated project payback is no more than 10 years.	Yes/No No = Project is not eligible	3
Project includes hard dollar funding from one or more of the following sources: <ul style="list-style-type: none"> • Utility energy efficiency programs • Self-arranged financing • Financial donations • Locally available funding options 	0 = No leverage 7 = \$1.50 of other funding sources for each \$1 of federal stimulus funding 10 = \$2 of other funding sources for each \$1 of federal stimulus funding	2
Project is comprehensive, including all cost effective energy efficiency and renewable energy opportunities available at the facility.	0 = is not comprehensive 10 = incorporates all cost effective energy efficiency and renewable energy opportunities at the facility	4
Project can be started by: <ul style="list-style-type: none"> • December 31, 2009 • April 1, 2010 • September 30, 2010 	longer than September 30, 2010 – not eligible 5 = September 30, 2010 7.5 = April 1, 2010 10 = December 31, 2009	4

Agricultural, Commercial and Industrial Facilities Projects

Agricultural, commercial and industrial facilities may apply for funding from an energy revolving loan fund. The revolving loan fund will provide up to \$10 million in energy project funding for these sectors; approximately \$5 million will be made available in each calendar year 2009 and 2010. Organizations will be invited to apply for funding on a semi-annual basis and may apply for up to 80% of the total project cost, in an amount not to exceed \$750,000 per application. Projects with

funding leveraged from other sources will receive additional point consideration. The appropriate level of energy analysis (energy audit, technical engineering analysis or life cycle cost analysis) will be required to be included with the application for funding. The interest rate for the revolving fund will be set by the State Treasurer's Office. In the event of a tie in points, funding will be made to projects with the greatest energy savings and/or greatest renewable generation.

Applicants will be required to include information on how their project builds capacity for additional energy projects, including, but not limited to how the project:

- Informs lowans about energy
- Serves as a model for other applications of energy technologies
- Provides specific training on energy technologies
- Implements a new or innovative energy technology
- Creates local jobs
- Publicizes the project and its results

In addition to the Department of Energy's general criteria, agricultural, commercial and industrial energy projects will be allocated revolving loan funds based on the following specific criteria:

Criteria	Ranking	Weight
Individual improvements will pay for themselves within their useful life or are the lowest life cycle cost; aggregated project payback is no more than 10 years.	Yes/No No=not eligible for funding	3
Project includes hard dollar funding from one or more of the following sources: <ul style="list-style-type: none"> • Utility energy efficiency programs • Self-arranged financing • Financial donations • Locally available funding options 	No leverage = not eligible for funding 7 = \$2 of other funding sources for each \$1 of federal stimulus funding 10 = \$3 of other funding sources for each \$1 of federal stimulus funding	2
Project is comprehensive, including all cost effective energy efficiency and renewable energy opportunities available at the facility.	0 = is not comprehensive 10 = incorporates all cost effective energy efficiency and renewable	4

	energy opportunities at the facility	
Project can be started by: <ul style="list-style-type: none"> December 31, 2009 April 1, 2010 September 31, 2010 	longer than September 31, 2010 = not eligible for funding 5 = September 21, 2010 7.5 = April 1, 2010 10 = December 31, 2009	4

Training and Information

Up to \$1 million will be allocated for training or information programs that enhance Iowa's capacity for the implementation of energy efficiency and renewable energy improvements. Organizations may apply for up to \$200,000 to support a training initiative. OEI will work with Iowa Workforce Development to ensure that there is no duplication of efforts, that funding is used effectively, and that the state coordinates with existing training programs.

In addition to the Department of Energy's general criteria, public sector energy projects will be funded based on the following specific criteria:

Criteria	Ranking	Weight
Training or information meets critical need for effective deployment of energy projects including, but not limited to: <ul style="list-style-type: none"> Energy auditing Renewable energy installation, maintenance, repair Energy efficient equipment installation, maintenance, repair Retro-commissioning or commissioning Net O Building Design/Construction Informed consumer 	5 = Meets critical need for minor audience in the state 10 = Meets critical need for major audience in the state or effectively provides training for multiple functions	2
Training or information incorporates hard dollar funding and partnerships from one or more of the following sources: <ul style="list-style-type: none"> Utility energy efficiency programs 	No leverage or partnerships = not eligible for funding 5 = \$1.50 of other funding sources for	4

<ul style="list-style-type: none"> Financial donations Locally available funding options Trade organizations Business or industry 	each \$1 of federal stimulus funding; limited partnerships 7 = \$2 of other funding sources for each \$1 of federal stimulus funding; 2 or fewer partners 10 = more than \$2 of other funding sources for each \$1 of federal stimulus funding; multiple partners	
Trainers have experience providing training of this type; trainers can provide qualitative and quantitative results of their past efforts.	0 = trainers have minimal experience or results 10 = trainers have experience and provide high quality measurement of past results	3
Project builds capacity for energy projects <ul style="list-style-type: none"> Can quickly use training to increase the implementation of energy projects Sufficient number to meet demand Helps people to become employable in energy in Iowa 	0 = Does not build capacity 10 = Builds capacity in Iowa to install more energy improvements	3
Project is complete by: <ul style="list-style-type: none"> August 31, 2009 January 1, 2010 May 1, 2010 	longer than May 1, 2010 = not eligible 5 = May 1, 2010 7.5 = January 1, 2010 10 = August 31, 2009	3